



TRANSCRIPT – SECOND QUARTER 2025 RESULTS

CONFERENCE CALL

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C O R P O R A T E P A R T I C I P A N T S

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Jaime Caballero, Chief Financial Officer

Martin Terrado, Chief Operating Officer

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Maria Catalina Escobar, Shareholder Value and Capital Markets Director

C O N F E R E N C E C A L L P A R T I C I P A N T S

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Jefferies

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BofA Securities

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Joaquin Robet

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P R E S E N T A T I O N

Operator

Good morning, and welcome to the GeoPark Limited conference call following the results announcement for the second quarter ended June 30, 2025. If you do not have a copy of the press release, it is available at the Invest with Us section on the company's corporate website at www.geo-park.com. A replay of today's call may be accessed through this webcast in the Invest with Us section of the GeoPark corporate website.

Before we continue, please note that certain statements contained in the results press release and on this conference call are forward-looking statements rather than historical facts and are subject to risks and uncertainties that could cause actual results to differ materially from those described. With respect to such forward-looking statements, the company seeks protections afforded by the Private Securities Litigation Reform Act of 1995. These risks include a variety of factors, including competitive developments and risk factors listed from time to time in the company's SEC reports and public releases. Those lists are intended to identify certain principal factors that could cause the actual results to differ materially from those described in the forward-looking statements but are not intended to represent a complete list of the company's business.

All financial figures included herein were prepared in accordance with the IFRS and are stated in U.S. dollars, unless otherwise noted. Reserves figures correspond to PRMS standards.

On the call today from GeoPark, we have Felipe Bayon, Chief Executive Officer; Jaime Caballero, Chief Financial Officer; Martin Terrado, Chief Operating Officer; Rodrigo Dalle Fiore, Chief Exploration and Development Officer; and Maria Catalina Escobar, Shareholder Value and Capital Markets Director.

And now, I'll turn the call over to Mr. Felipe Bayon. Mr. Bayon, you may now proceed.

Felipe Bayon
Chief Executive Officer

Good morning, everyone, and thank you for joining us at our second quarter 2025 conference call. This is my first earnings call as GeoPark's CEO, and I want to start by acknowledging the strong platform I've encountered here. Over the last couple of months, I focused on taking a thorough comprehensive view of every aspect of our business at the project level, asset by asset. The work is ongoing, and it's grounded on a simple objective, ensuring GeoPark is positioned to thrive in the current environment and build durable long-term value for our shareholders. This review is part of broader strategic research to challenge legacy assumptions and strengthen the way we prioritize capital and performance. From Day 1, we've been working to identify opportunities to accelerate the development of our portfolio, increase our ability to adapt and grow smartly.

We're also continuing a rigorous portfolio reassessment, where our teams are actively working to enhance field productivity, stabilize production and improve returns over time. This is not about changing guidance today, but about building the technical and operational foundation for better outcomes in the future.

Finally, we are working closely and constructively with authorities and partners to unlock additional activity across our core assets in Colombia. These discussions are active and ongoing, and they reflect our shared commitment to responsibly increase investment, accelerate development and support the long-term competitiveness of Colombia's oil and gas sector.

Let me now walk you through the quarter's performance. In the second quarter, GeoPark delivered solid operational and financial results despite having market volatility, a lower Brent price environment, divestment of some of our non-core assets, and some temporary blockades that impacted operations.

Consolidated average production for the quarter reached 27,380 barrels of oil equivalent per day, contributing to year-to-date average production of 28,223 barrels of oil equivalent per day, in line with our guidance. The 6% decline when compared to the last quarter reflects the divestment of the non-operated Llanos 32 Block and 16 days of shut-in production in CPO-5 Block due to local blockades.

The strong operational delivery reflects stable performance across core assets. For example, Llanos 34 delivered 17,605 barrels of oil equivalent per day net with base management, waterflooding and workovers exceeding our expectations. Our drilling team also delivered step changes in efficiency. For example, average well costs were reduced by more than 30% and pad-to-pad mobilization time dropped from 7 days to just 18 hours. In CPO-5, although some production was impacted by higher-than-anticipated downtime in relation to 1Q 2025, performance remains stable and the field is currently operating normally. In Llanos 123, 2 exploration wells, Currucutu-1 and Toritos Sur-3 were drilled and completed, contributing new production and demonstrating additional upside. In particular, at Toritos Sur-3, the strategic decision to reposition the well to intercept the Mirador formation as a secondary target proved successful and revealed a new productive horizon for the block. In late 2025, we plan to drill a second well to further explore and appraise the potential of this discovery.

On the financial side, results reflect proactive cost management, disciplined capital allocation and financial flexibility to pursue long-term growth. Adjusted EBITDA was \$71.5 million with a 60% margin, driven by cost discipline and a \$4.9 million gain from our commodity hedging program. Operating costs remained within 2025 guidance at \$12.3 per barrel. We invested approximately \$24 million during the quarter and ended up with \$266 million in cash and a net leverage ratio of 1.1x. We also completed an open market repurchase of \$54.5 million of our 2030 notes below par, thus enhancing long-term financial flexibility and reducing future interest payments, underscoring our disciplined approach to balance sheet optimization.

Finally, as of today, our hedging program has advanced to protect oil price volatility over approximately 9,000 barrels of oil equivalent per day for the first half of 2026 and 8,000 barrels of oil equivalent per day for the second half of 2026.

Let me now turn briefly on how we see the second half of 2025 shaping up. We see a full year organic

production range of 26,000 to 28,000 barrels of oil equivalent per day, which incorporates the strength of our core assets and the adjusted impact of Llanos 32, Manati and Ecuador divestments. Importantly, this production range excludes volumes from inorganic acquisitions.

We expect the adjusted EBITDA of \$260 million to \$290 million at \$65 to \$70 per barrel Brent, supported by the quality and resilience of our base business and the price support provided by our existing hedging program. We are executing this plan with a lean, focused capital program of \$90 million to \$120 million, directed primarily to short-cycle, high-return development and appraisal drilling. At the same time, we've captured \$12.5 million in structural efficiencies to date, which equates roughly to \$17.5 million annually.

As part of our anticipated portfolio optimization, we agreed to divest our interest in the Perico and Espejo blocks in Ecuador. This transaction reflects our ongoing focus on prioritizing material, high-return assets and streamlining the portfolio for maximum impact. The divestments brought a non-recurring impairment charge, and as a result, a net loss for the quarter of \$10.3 million. If we exclude this charge, net profit for the quarter amounted to \$20.7 million, significantly higher than in previous quarters.

Finally, the Board has approved the payment of a \$7.5 million dividend for the second quarter of 2025, reflecting the company's performance during the period. In parallel, the Board is actively reviewing the company's capital allocation priorities, including dividend distribution going forward in the context of evolving strategic priorities and the need to preserve flexibility to pursue value-accretive growth opportunities. This review will continue over the coming months as part of our ongoing overall financial and strategic positioning.

In summary, this was a resilient quarter for GeoPark. We delivered solid results, protected our financial strength and are actively reshaping the business to be more focused, more agile and better positioned for long-term value growth. We're just getting started, and we're committed to building a more competitive, resilient and value-driven GeoPark.

With that, let me now open the floor for your questions.

Q & A SESSION

Operator

Our first question today comes from Alejandro Demichelis from Jefferies.

Alejandro Demichelis

Jefferies

Felipe, congratulations on your first few months here, and welcome. A couple of questions, if I may. Maybe you talked about the review that you're kind of taking over on the company. Maybe you can give us some kind of examples of where you think that things can be improved, where you think that things can kind of move to. That's probably the first part of the question.

And then the second one is, you mentioned some of the inorganic moves that you have been kind of working on. Maybe you can kind of give us some update on how you see things, particularly in Argentina.

Felipe Bayon

Chief Executive Officer

Alejandro, thanks for being here today, and thanks for the interest in GeoPark. So a couple of things, and I'll share some personal reflections on this first couple of months. The first thing I'd say is that since my arrival, and just for context, I've known GeoPark for probably the last 8 or 9 years; I've had a lot of references. It's always been a company that I've respected. And when I joined the company, I found a company that does things very well, operates in a way that's safe and efficient. It operates ethically and with very, very good relationships with communities and stakeholders. I just wanted to start there.

One of the things we've done with respect to our existing assets in the following context, I think there's directionally two things we need to do, and I think you addressed both in your questions. The first one is how do we protect our existing business, ongoing business, and how do we create additional value? So that's point number one. And point number two is, how do we return to a pathway of growth? So I'll talk about the first one, which is your first question.

So - and without going in all the detail because that will come in due time, the teams have been working for some months now, three months or so. And over the last couple of months that I've been here, I've had the opportunity to look at every asset at the project level in detail, look at not only current performance operationally. And again, I think the results show that we've been able to deliver good results, resilient results, despite the drop in Brent and some of the drop in production that's related to some blockades that we have had in some of the non-operated areas. So that review, I think, has led to a place where I personally feel we can extract a lot of value from the existing assets. So that's point number one.

There's a lot of things that the guys are doing in terms of the operations, from our efficiencies around how we drill the wells, how do we complete the wells, how do we do things like water shutoffs and well interventions, how do we do the mobilization/demobilization of the different drilling rigs, how do we actually deal with water volumes? So, a lot of details and specifics on the operations that are looking good. And I think that gives me the confidence, Alejandro, that back to the core business, we can continue to arrest decline, natural decline, which is priority. It's a fundamental priority. And two, we can continue to look for other areas that can provide some additional legs, if you will, in the mid-to-long term. And I'll talk specifically about Toritos Sur-3 that's in the release. It's a well where we, on purpose, changed the direction of the well, if you will. We went through Mirador, and we have some very good results, and that may open some additional areas. So, very pleased with the ongoing business. And again, we need to ensure that we have a solid, robust business that creates the platform for us to grow. So, that to your first question.

In terms of the inorganics and especially Argentina, I'll give you a bit of context. The first thing is that we continue to look at the region as a whole, but we want to create a lot of focus. So clearly, Colombia is our focus for ongoing operations. And I think Vaca Muerta provides, in terms of unconventional, a world-class opportunity. I'll share with you that I came to this job on June 1. By June 6, I was already in Neuquen. I had a very good conversation with the Governor of Neuquen and expressing that GeoPark wants to be part of the development of unconventional in Argentina, particularly in the province of Neuquen. We want to invest. We want to operate. So there is a clear intent of us to go into the inorganic opportunities in Vaca Muerta.

And the other thing that I'll mention, Alejandro, is that we have, I think, a very fluid and solid pipeline of opportunities for unconventional in Vaca Muerta. It's a combination of things that we have been looking at and also things that a lot of potential partners have brought to the table in this conversation, which is great, that people are saying, we want to team up with GeoPark. We see them as a good partner that brings a lot into the conversation. So that's also happening. And obviously, Alejandro, we'll update you on both things. How do we progress on this reassessment of our current portfolio; and two, how do we progress on M&A. Thanks, Alejandro.

Operator

Our next question comes from Joaquin Robet of Balanz Capital.

Joaquin Robet

Balanx Capital

Welcome, Felipe. I have two questions. First, could you provide more color on your plans to enhance the P1 reserves life? How are you approaching reserves replacement? And what portion of the strategy is expected to come from organic versus inorganic efforts? That's the first question.

Felipe Bayon

Chief Executive Officer

Okay. Joaquin, I was waiting for the second question, but I'll go at the first one. So the first thing I'll mention,

and this is linking it back to some of the things that Alejandro was asking us about and some of the response that I gave. First thing is that, in terms of context and order of magnitude, and this is as of end of 2024, 2P reserves for the company in Colombia are around 84 million barrels. This is broader than P1, but if you look at that number and then you link it to the exercise that I was referring to, where we have in detail looked at all the assets, looked at our execution plans, looked at our understanding of the subsurface, looked at everything in terms of how we can develop those areas, I'd say that both actually are linked together very well in terms of this reserve life – I'm talking about 2P - that could take us to the end of the decade and beyond, 5, 10 years actually in terms of how we see that projection going forward is very, very well aligned with the internal review we're doing. So in that sense, a lot of focus in actually bringing some more reserves and actually accelerating some of those reserves as well.

And I'll take the opportunity to put something out there that was in the release, but I just want to highlight it, and is that prior guidance on CapEx was around \$80 million to \$100 million for this year. In this release that you guys have seen, we've increased that to \$90 million to \$120 million. So that's basically, I think, a reflection of how efficiently we can operate, how we can deploy the capital and also that we see good opportunities going forward that we can actually assess now. So I think that message in terms of us increasing our capital expenditure guidance is also relevant in that sense.

And then, the other thing -- and obviously, the inorganic efforts will come when they come, right? And they will be communicated at the right time. The additional sort of guidance or increased guidance in terms of capital expenditures, so we can have some additional opportunities this year. And then, in terms of the inorganic, which was the second part of your first question was, we're very thoughtful. We're looking at a good pipeline of opportunities. And obviously, when they come, we will be talking about them in detail. But as I said on my initial response, there's quite a few potential partners that have reached out to us, and we're assessing opportunities. So, that will come when they come. And hopefully, they'll provide additional upsides and potential on reserves.

You want to go with your second question, Joaquin?

Joaquin Robet

Balanx Capital

Yes, a bit in line with your answer, my second question is, following recent divestments from non-core areas, are you planning to accelerate CapEx in core assets to offset decline more aggressively? Or is the focus shifting towards inorganic growth opportunities to sustain?

Felipe Bayon

Chief Executive Officer

I'd say, yes, we've done some divestments. We announced yesterday on the release, Ecuador, and closing on that will take some months. But yes, absolutely. So I think we're deploying some more CapEx, which is great news. We finalized these divestments. We continue to look at our portfolio constantly. We're reassessing portfolio, and we'll let you guys know when we have something around new opportunities that actually come into the fold, and we actually have agreed on some inorganic opportunities. Thanks for that, Joaquin.

Operator

Our next question comes from Anne Milne of Bank of America.

Anne Milne

BofA Securities

It's nice to hear you on the call, Felipe. So my questions are following up on some of the strategic comments you've made already. So maybe it sounds like your focus on your strategic side is Colombia for current production and Argentina for nonconventional going forward. You've divested Ecuador. I guess, one question would be Brazil, and how that fits into the strategic plan?

And then, on the Argentina element, maybe just out of curiosity, with the lower Brent prices this year, have you seen changes in the valuations of the types of transactions you're seeing? And if you were to go forward, I guess, the question would be, since your experience of GeoPark is primarily unconventional, do you have the staffing? Or would there be partners that have staffing? Would you want to be the operator on a transaction? Or would you prefer to be a partner there? That would be my first sort of big strategic question.

And the second is more financial related to the bond buyback that you did. And I guess, the question is, would you consider doing more if the prices stay at the low levels? And secondly, one thing investors are very happy about is the large cash balances GeoPark has currently had recently, especially with some of the volatility in the market. What would be the minimum cash that you would want to have since you increased your CapEx program, you do pay dividends and you did buy back bonds?

Felipe Bayon

Chief Executive Officer

Thanks, Anne, and it's great to hear you. Thanks for being here today. So I think you're right in terms of what we are focusing on in terms of Colombia and then Argentina. Colombia, we have a very, I think, solid business that's operated very well, and we continue to find legs in that business. That's the way I would think about it. So again, I referred in particular to Llanos 123, Toritos Sur-3, but those opportunities or those wells actually continue to open up some areas where we can go and do some more stuff, which is great. So the existing licenses - and please bear in mind, there are licenses that have production right now, but there are licenses that have a lot of exploration opportunities. So we will continue to look at those. And as I said, we need to ensure that we strengthen the base so we can grow on top of that.

In terms of Argentina, you're right, inorganic. And I'll probably just give you a bit more color. So we are focused on Vaca Muerta. We like the unconventional. I'm a big believer in unconventional, from past experiences. We have both lenses. We can be an operator. We can be a non-operating partner. So we're comfortable with both. We have the capability and the know-how in-house. And I think that's very important. Remember that when GeoPark did a prior deal in Argentina, we had a team that actually was embedded in the operator. They were seconded into the operations. We have kept that team, and they're very, very knowledgeable. They have a lot of experience, not only from GeoPark times, but from prior experiences. A lot of them have worked in Neuquen for most of their careers. So we do have the capability.

Something you didn't ask, but I'll put out there, Anne, we're looking at the 30 million to 50 million barrel opportunity kind of size, just so you guys can have some reference. This could be in the order of \$300 million to \$500 million, combination of ticket plus initial commitments and stuff. And I'm just giving you ballpark numbers, but that's how we're looking at Argentina right now.

In terms of valuation, a lot of people want to go into Argentina. But there's also a lot of people that are refocusing or exiting Argentina. So there's always opportunity. There's always opportunity. And remember that GeoPark, I mean, made this deal last year. So there's a lot of knowledge inside the organization in terms of valuation, in terms of potentials, in terms of the rocks, in terms of how we actually develop these opportunities in a way that makes sense. How can we go into factory mode and develop the unconventional? And again, personally, very enthused with the opportunities. And we'll let you know when we have something penciled down and signed off.

In terms of Brazil, with the Manati divestment, it's going to take some time for it to close. But I would say that we continue to permanently assess and filter opportunities in the region, and I'm talking about the broader region, with the focus, as you were putting it, in Colombia and Argentina. So I think that's where I would leave it.

And in terms of your additional question, which is more a financial one, yes, very happy with how that repurchase actually went. It created value for us. And I think it reflects a good use of our ability to deploy capital. I would just say, Anne, and I'll hand over to Jaime so he can give us more color, there are things that we're doing around cost efficiencies as well. You see that we're doing some redeployment of capital. You see that we repurchased some bonds. So everything, I think, needs to be looked at holistically in terms of how we manage capital.

Jaime?

Jaime Caballero

Chief Financial Officer

Thanks, Felipe. Anne, I'll go through how we are thinking about liquidity. If you look at the first half of the year, we're ending with a cash balance of around \$270 million. And when you look at the breakdown of what's behind it, you actually see an EBITDA of about \$160 million. But then, you actually see these outflows, and I'm going to go into a little bit of detail, because they're actually quite meaningful. Taxes were \$87 million, just the tax component. CapEx was \$47 million. Debt service was \$16 million. And where I'm trying to go here is that our current cash position is very strong despite these significant outflows, particularly those related to tax, which are seasonal and were actually quite extraordinary, given the strong year that we had last year.

So where I'm going at with this is that when you look at, going forward, at the second half of the year, actually, that second half is going to benefit from three big changes. First, materially lower tax outflow because the tax season is effectively over. So what we're going to see are some minor outflows associated to withholding tax. But income tax, which is the big component of our tax burden, is in the past now.

You're actually going to see lower debt service as well associated to the debt repurchases that we did. And we're actually going to see also in EBITDA, the benefit of the lower cost structure interventions that have been made. So going forward, when you see all things equal, right, if we normalize, if you will, for price and we can, given that we are significantly hedged, the outlook of cash generation for the second half of the year should amply support the CapEx for the organic business that we are anticipating. I'm tactical here, but it's important to see that those components of seasonality support a good cash position going forward.

Now, when you take that to a strategic level of capital allocation, what we're seeing there is that the \$270 million that we have provides ample room for the organic CapEx requirements that we might see, which may go up to \$120 million this year because there are good projects coming in from our team. So that's the first priority. The second priority is M&A deployment. And when we look at how those transactions could occur and when you look at when can they close and what kind of down payments would they require, we see that our position supports that very well. And then, we look at the minimum liquidity necessary for our organic business, which is probably \$30 million or \$40 million or so. It's no more than that. So in that context, with all of that considered, there could be some headroom for further potential for debt repurchases. It's going to be opportunistic. It's going to depend on how we see things evolving over the next few months, and we're going to act on the basis of that, right? But there could be some potential for that. Thanks.

Operator

Our next question comes from Cristian Fera of KNG Securities.

Cristian Fera

KNG Securities

Felipe, welcome. So I have 3 questions. I'll go one by one. First question is, if you could comment on whether there are any additional asset divestments planned in the near term?

Felipe Bayon

Chief Executive Officer

Thanks, Cristian, and thanks for joining the call. And as I referred to in one of the prior responses, I'd say that we've done the divestments, finishing with Ecuador that we announced yesterday. And we will constantly continue to look at our portfolio. We want to ensure that we're optimizing value, and in that sense, creating value for shareholders. So I won't talk about any specifics or if there's anything else planned, but we will continue to look at our assets. And remember, I was saying earlier that we've had an in-depth very detailed

review of all of our assets at the project level. So we will continue to do that. Next question, Cristian.

Cristian Fera

KNG Securities

Could you remind us of the updated guidance for the year?

Felipe Bayon

Chief Executive Officer

Sure, Cristian, and I'll give you some headlines. We've talked about a production that is between 26,000 and 28,000 barrels of oil equivalent per day. So I think that's the first thing, and you saw where we ended up not only in the average for the first half of the year, but in 2Q. EBITDA, adjusted it to \$260 million to \$290 million. That would be in the \$65 to \$70 per barrel range for Brent. I'll repeat the CapEx number: remember, we had a guidance that was \$80 million to \$100 million that we're reviewing to \$90 million to \$120 million. So it does show that we've come up with a lot more opportunities.

And the other thing that we haven't talked [about] too much, I briefly mentioned it, but we've captured already \$12.5 million in structural efficiencies. And this is over the last couple of months, that we've gone out. We've looked for them. The teams are working very hard on that. And this, if you look at what would that mean on an annual basis, it's equivalent to \$17.5 million. So that's sort of the framework, Cristian, that I would use to describe what's coming in terms of our next few months to close the year.

Cristian Fera

KNG Securities

Just a quick follow-up on that. So are those efficiencies reflected in the operating costs that we see that are continuing to decline?

Felipe Bayon

Chief Executive Officer

Yes. Some of them are. Some of them have been implemented, and I'll ask Martin to expand on that a bit to give us more color and detail. Remember that we've given guidance on the \$12 to \$14 per barrel range. We ended up at roughly \$12.5. So we're in a good place. And efficiencies in terms of operating is always part of the focus that we have. Martin, do you want to expand on that, please?

Martin Terrado

Chief Operating Officer

Thanks, Felipe. Cristian, thanks for your interest in GeoPark. So, like Felipe was saying, our guidance on operating expenses is \$12 to \$14, and we took the challenge of keeping that guidance even though Vaca Muerta was gone. That guidance was the guidance that we had with Vaca Muerta production, but also Vaca Muerta had around \$6 to \$7 per barrel. So the teams, not only from operations, but back here in Bogota supporting the field, we have been working on several initiatives that are already implemented.

And I'll give you a little bit of a flavor of what are the things that we've done. First one, we can talk about energy efficiency. On energy efficiency, it's critical for these assets since most of the OpEx is around energy. And not only are we looking at the price of the energy that we pay, but also trying to use less energy. And we've been communicating to you guys the success of workovers. And it's a success, not only getting additional production, but also we're shutting off water. So year-to-date, we have shut off 5% of the water that we were producing; that's around 24,000 barrels of water per day. That's energy that we use to produce it and then inject it back in the ground. So that's one example. I'll give you another example: we have been

working very thoroughly to use all of the associated gas that comes with the production. So we've been working together to reduce our emissions. And the last thing that we did, and it's already implemented is that, that gas is not only captured, but it's generating energy, and that's around 2% of the total consumption. So we're basically saving on going out and purchasing that energy.

Second big one is around innovation. And in innovation, the example we want to share in Llanos 123, we just put on stream about a month ago, a water treatment plant. That water treatment plant is basically helping us save around \$2 per barrel versus what we were doing before, which was tracking the water. And when we look ahead, what's coming is that modular facilities that were designed in-house, we're going to start applying in other blocks that we operate. And we're also sharing that with those blocks where we are non-operators. So examples of how we're pushing for reducing the OpEx.

Other things that we're working on right now are around maintenance and pulling efficiencies. One of the things that we will continue doing is trying to use the workover rig the least amount of time possible and do rigless interventions. And by doing that, we're saving around 25% of the cost. Since they're rigless, it's much cheaper. Those are the things that we've been doing. There are some risks. The main risks looking ahead, the first one is around, like I said, increased total fluid production and cost of the energy. The second one is community claims as there are blockades, and some of those blockades many times result in some increased cost. And finally, it's not going to hit us this year, but it's something that we're monitoring very close is, in Colombia, any labor cost regulations. So with that, what are the things we're doing, what are the risks? And finally, to close, our guidance stays that we're going to be between \$12 and \$14 per barrel before the end of the year, on average for the year.

Felipe Bayon

Chief Executive Officer

Thanks, Martin. Cristian, anything else?

Cristian Fera

KNG Securities

Yes. My final question is regarding your cash uses for 2025 and 2026. Do you anticipate further bond buybacks and/or dividend distributions?

Felipe Bayon

Chief Executive Officer

Thanks, Cristian. And I think Jaime alluded to that earlier. And as we were saying, there's obviously the minimum requirements in terms of cash for the operations. There is an increase in the guidance on CapEx. There are some efficiencies that we continue to pursue in terms of cost efficiencies. And again, I would say that we do have the right amount in terms of balancing sources and uses to pursue, should the space be there, additional repurchases of bonds, well, we just announced a dividend distribution yesterday, and be able to do M&A. So I think in that sense, we're in good shape. Thanks, Cristian.

Operator

The next question comes from Juan Jose Munoz of BTG Pactual.

Juan Jose Munoz

BTG Pactual

Just a last question here regarding Colombia. Looking ahead to 2026 with an election year in Colombia, what new opportunities this could open up for GeoPark if a market-friendly government comes to power? And what

new opportunities do you see if a change of regime happens here in Colombia?

Felipe Bayon

Chief Executive Officer

Thanks, Juan Jose, and thanks again for your interest in GeoPark. Yes, I'd give you my views. But obviously, lots of uncertainty still, especially in this sector, the oil and gas industry, in particular. There's production, overall production in terms of oil that has not increased dramatically in country. If you look at the industry as a whole, not just GeoPark, the number of rigs has reduced. The investment amount has also gone down. And I think, industry is looking at what's going to come in 2026. There's one scenario where we continue with a government that has the same policies as the current one, which is no more exploration acreage being let to industry. And I see, and I'm linking this back to how I started my response, a lot of the decline in activity, I think, has been led by that. People seeing that there's no additional acreage and there's no more licensing going on.

Having said that, on the flip side, and it's still early days. Remember that elections, first round is in May, and second round, should there need to be one, it would be in June. There's a lot of pre-candidates right now that are talking about restrengthening the sector, being able to let more licenses to the industry, which would be good. And something that we haven't discussed, but there are some candidates talking about unconventional in Colombia. And if you look at the long shot, we as GeoPark are very interested in Vaca Muerta and using some of the experience and expertise and capabilities we have, developing further abilities in that space in Neuquen. And assuming the flip side scenario, which is unconventional being back on the table in Colombia, you could bring that experience back home or back here where we currently are. So I just wanted to put that on the table. But again, we'll see. We'll see, Juan Jose, what happens. Still early days. Thanks for the question.

Operator

Our next question comes from Stephane Foucaud of Auctus Advisors.

Stephane Foucard

Auctus Advisors

I've got 3. So the first one, the context of those blockades and so forth, what's the current production excluding Ecuador?

Martin Terrado

Chief Operating Officer

Stephane, this is Martin. So I'll go from the high to the low view. The highest view is our guidance, 26,000 to 28,000. In our first half, like Felipe was mentioning, we were at 28,200 barrels of oil per day. In July, we are in similar values to that average for the first half of the year on the high range. When you look at the different fronts, in Llanos 34, we had had a very successful infill drilling campaign. Felipe already mentioned our efficiencies on the execution. Now we're testing the wells, and the wells are delivering around 6% of the total production and within the expected production. Workovers and upsize, it's again another very good story in Llanos 34 that it's providing fresh production, but also, as I mentioned before, reducing our OpEx by shutting down water, and that's contributing around 11%. And then the water flooding keeps providing good results at around 14% of the production. So in Llanos 34, we're delivering according to our plan.

When we look at Llanos 123, we have increased by 16% the production quarter-on-quarter. Toritos Sur-3 is, like Felipe mentioned, a very good result, and we're having discussions with our partner. We're actually right now drilling -- about to start drilling the next well. So, on that asset, we continue drilling appraisals and some exploration wells.

I think finally, when we go to CPO-5, CPO-5 had a really good success story on our workovers that basically where, as the water encroaches, we had to put artificial lift, from natural flow to artificial lift. So those results have been above average, and they've been able to compensate for the blockages that we had. Overall, on blockages, we have been able to work really good with the communities on those where we operate, really low downtimes. And CPO-5, it has the disadvantage that is not connected to the pipeline, an oil pipeline and

to electric lines. So we've been working hand-in-hand with ONGC, the operator. The last blockade was a really positive result. And since that one, all of July, we had no blockades.

So I don't know if I answered exactly what you were looking for, but that's where we stand today. July and August, again, the first couple of days of August are strong days on production as well.

Stephane Foucard

Auctus Advisors

Great. That's useful. Second, on exploration, so you reported Currucutu, Toritos Sur-3. So first, I was wondering what sort of EUR potential additional resources those 2 areas add? And maybe as a follow-on, I saw that there is a write-down associated with CPO-5, I think, over the quarter. Did you have disappointing drilling at CPO-5 in Q2? And I have another question afterwards.

Jaime Caballero Uribe

Chief Financial Officer

Stephane, this is Jaime. I'm going to start with your second question about write-offs in CPO-5. So we actually haven't had any write-off in CPO-5 this year. Probably what you are referring to is some notes that we had comparing the year to year. On a year-to-year basis, last year, we did have an exploration write-off in CPO-5. It was associated to 2 wells that we had: one in 2Q, one in 3Q. It was the Cisne and the Lark wells at the time, which in the total amount of write-off associated to those in both quarters was \$7 million. But that's a 2024 event. We haven't had any write-offs associated to CPO-5 in 2025.

So over to Rodrigo on the first question.

Rodrigo Dalle Fiore

Chief Exploration & Development Officer

Stephane, going back to your question about the recent discovery that we announced from Llanos 123, we can start with Currucutu-1. We had a very good result in that well. We started with more than 1,000 barrels per day of oil. Today, we are producing about 400 barrels of oil per day. The preliminary result looks very promising. We are working with our partner, trying to incorporate one more well in the structure because we need to delimit the area. So it's too preliminary to talk about volumes right now. We need to incorporate more activity to estimate the potential. But definitely, we see a good result there.

Related with Toritos Sur-3, the Mirador formation at least is very promising. We are seeing 900 barrels per day with no water. So next step is to incorporate a new well. Definitely, we want to do it as soon as possible. If we can do it before the end of this year, it's going to be good. With that result, we are going to be in a position to say the size of the discovery that we have there. But both cases in the Llanos 123 looks very promising, and if they grow at least it is where we want to grow in the next coming months and years.

What we are doing in terms of exploration today, we are drilling Matraquero in the Block Llanos 104. So that is the first well in the block, and we plan to do another one back to this well before the end of this year. The name is Vencejo. So that's the current activity that we are doing. We expect more exploration this year. We will see the results.

And looking forward, of course, we need to drill Predestinacion, the project that we have been talking about for long. That is in CPO-5. We are trying to agree with our partner, ONGC, to start with that well in the next drilling campaign. And we see some prospect in Llanos 87 and continue deploying Llanos 123 where we see a lot of near-field exploration opportunities.

Stephane Foucard

Auctus Advisors

That's great. And thank you for pointing out CPO-5. Last question is more around strategy. So I was wondering

whether -- so you talk about the focus on Argentina and generally in the region. Now, in the context of it has proven to be quite difficult to execute in Argentina, Brazil historically is quite -- prices are quite high, Venezuela is probably a no-go area at the moment, so generally, how competitive do you see the landscape? How difficult is it to transact with regard to this M&A strategy that you've got? And where do you differentiate?

Felipe Bayon

Chief Executive Officer

Yes. Thanks, Stephane. So I'd say that in the region, in Argentina in particular, I'd say there's plenty of opportunities. There's a lot of activity. Let's bear in mind that this is an area that where close to \$10 billion are being invested on a yearly basis. And there's a line of sight of over \$100 billion of commitments going forward. So there's plenty of opportunities. There's plenty of assets. And I think that GeoPark brings to the table, and this is reinforced by the conversations we've had with the local province authorities, some of our potential partners in the future, where they want the expertise we bring in terms of operations, in terms of efficiencies, in terms of subsurface knowledge. So there's a lot of alignment in that sense. I think there's always opportunity. The other thing that I'd say, and I mentioned earlier that on the 6th of June, I was actually meeting with the Governor of Neuquen, Dr. Figueroa, they've mentioned publicly that they want companies like us coming into the province. So we'll see where that takes us, Stephane. But clearly, there always will be competition in terms of some of the opportunities. But I think we're very well positioned to actually go and capture some of those. Thank you.

Operator

That will conclude the audio portion of today's call. We do have text questions that did come in from the webcast:

Eduardo Muniz

Santander

The question reads, congrats on the results, and welcome, Felipe. Following the recent portfolio review, what should we expect in terms of capital allocation priorities? Whether that is M&A, reinvestment, buybacks or dividends, how do those decisions align with your growth ambitions over the next couple of years?

Felipe Bayon

Chief Executive Officer

Thanks, Eduardo, and thanks for being part of the call today through the webcast. I think we've touched on some of these elements already in some of the responses we've given. But in terms of capital allocation, the first thing I'd say, we want to be very disciplined. So when we're reviewing the options, especially the uses of capital, we're very disciplined. And I'll go back and make reference to some of the things that we've highlighted over the last couple of days. First one, an increased guidance on CapEx. And that basically reflects that we have some good opportunities that we can go and pursue before year-end, so again, from \$80 million - \$100 million to \$90 million - \$120 million. So I think that's one.

We've talked about not only the cost efficiencies and all the efforts we're doing [on] that. We've talked about dividends that we declared yesterday that were approved by the Board. We've talked about the debt reduction and repurchase of the bonds. And we've talked about M&A. So I think in that sense, all of your elements in the question that you posed to us are included. And we'll continue to, in a very disciplined way, review those and ensure that we can actually make the right allocation of CapEx.

And in terms of the longer-term view or vision, I'll go back to where I started this Q&A session [and there were] two things we need to do: protect the ongoing business - and I think the guys, Martin and Rodrigo have talked in detail about some of those things, and we'll continue to do that. A case in point is the redeployment of some CapEx in that sense - and second, return to the pathway of growth. And we've talked about M&A. So I think in a nutshell, Eduardo, that's how I would reflect on your question. Thank you.

Operator

Our next question is from Vicente Falanga of Bradesco.

Vicente Falanga

Bradesco

The question reads, could you please provide an update on the result of the polymer injections in Llanos? When should we have final results?

Felipe Bayon

Chief Executive Officer

Thanks, Vicente. I'd say we're very enthused. We're very happy with the polymer injection project. All the approvals have been gained. So we have all the approvals, and we should start in December of this year. It's going to take some months before we see results. But Rodrigo, why don't you expand a bit on that?

Rodrigo Dalle Fiore

Chief Exploration & Development Officer

Yes, we are proactively moving forward with the project. The study that we have conducted, along with the background information shared by our partner, Parex coming from Cabrestero field, that is next to our field, Llanos 34, are very encouraging. So we are very excited to move forward with the project. We also completed the bidding process. So we have already selected both, not only the polymer, but the associated facilities as well. The result will show us how good it is, the technology for the field. But we are ready to expand the technology as soon as we identify those results, and we are able to dimension how good that is in terms of economics. That's the status today of the project.

Operator

Our last question of today's call is from Joao Caprina of Suno Research.

Joao Caprina

Suno Research

The question reads, how is your relationship with Pampa Energia going? Do you plan to partner in Vaca Muerta?

Felipe Bayon

Chief Executive Officer

Joao, thanks, and thanks for being here today with us. Yes, I was mentioning earlier that 6th of June, I had the opportunity to visit the Governor of Neuquen in his office. And I since then have had some discussions with them, with the provincial authorities and with the Governor himself. The day before that, on the 5th, I had the opportunity to meet with Pampa in Buenos Aires. And I'd say a very, very encouraging, very respectful conversation. And we're always, I think, striving to identify opportunities where we can jointly partner. And those conversations continue, are ongoing. Those conversations have continued to actually happen. And obviously, I won't go into more details, but I think we have a very respectful conversation with Pampa. And the other thing I'd say, Pampa has been a very successful company over the last years, and they've very aggressively looked at gas developments.

They're actually pursuing oil developments and stuff. So a lot of respect for Pampa, and we're having some very good conversations with them. Thanks, Joao.

Operator

That will conclude the Q&A portion of today's call. I'll pass it back over to Felipe Bayon for any closing remarks.

Felipe Bayon

Chief Executive Officer

Thank you so much. Thanks for that. And again, thanks for your help with the call today, and especially thanks to all those that participated in the call. So before we close, I'd like to share with you some results of our AGM. Our 2025 Annual General Meeting was held earlier today, this morning, and a few things coming out of that. The first one is that all nominated candidates were duly elected and confirmed as members of the Boards of Directors for GeoPark. The second one, E&Y, Ernst & Young Audit S.A.S., was appointed as external auditor to the company. And the third one is that the Audit Committee, which is part of the Board, was authorized to determine remuneration for the auditor. So I just wanted to provide that update, which I think is very timely.

I'll say that we will continue in GeoPark to be focused on capital discipline. And I know there's a lot of interest. I mean, I don't know, probably 50% of the questions had some element of capital discipline. So thanks for that. We will protect our financial strength. We will continue to invest to position the company for the next phase that will be profitable and sustainable in the long term, always with the vision of growth. We remain very confident in our strategy and our ability to continue to create value always safely, responsibly and consistently.

And again, thanks, everybody, for your interest and support in GeoPark. And we're always here to answer any questions. If there's follow-up questions, please reach out to the guys in the team, and we'll be happy to address them. So Reagan, thanks for your help. And everybody else, thanks for being here today, and have a great day. Hasta luego. Thanks.

Operator

Thank you. That will conclude today's call. Thank you for your participation. You may now disconnect your line.